

**European Summer Symposium in Financial Markets
Studienzentrum Gerzensee, 14/25 July 1997**

Revised Programme

Monday 14 July

Chair: Ernst-Ludwig von Thadden (Université de Lausanne and CEPR)

8.15 - 8.30 **Opening Remarks**

8.30 - 9.45 **Informed Trading, Investment, and Welfare**
James Dow (European University Institute and CEPR)
Rohit Rahi (Birkbeck College and CEPR)

Discussant: Ian Tonks (University of Bristol)

9.45 - 11.00 **An Evolutionary Approach to Financial Innovation**
Marc Oliver Bettzüge (Universität Bonn)
Thorsten Hens (Universität Bielefeld)

Discussant: Gabrielle Demange (DELTA, Paris)

20.30 - 21.30 **Strategic Behavior and Price Discovery**
Luis A. Medrano (Universitat Pompeu Fabra)
Xavier Vives (Institut d'Anàlisi Econòmica and CEPR)

Tuesday 15 July **Focus Session on Security Design**

Organizer: Darrell Duffie (Stanford University)

8.30 - 9.45 **An Overview of Security Design**
Darrell Duffie (Stanford University)

9.45 - 11.00 **Speculative Securities**
Rohit Rahi (Birkbeck College and CEPR)
José Marín (Universitat Pompeu Fabra and CEPR)

11.00 - 11.20 Coffee

11.20 - 12.35 **The Pooling and Tranching of Securities**
Peter DeMarzo (Northwestern University)

20.30 - 21.30 **Stockholding and Perception in Coalitional Production
Economies with Incomplete Stock Markets**
Chiaki Hara (University of Cambridge)

Wednesday 16 July

- Chair: Martin Hellwig (Universität Mannheim)
- 8.30 - 9.45 **General Competitive Analysis with Asymmetric Information**
Alberto Bisin (DELTA, Paris)
Piero Gottardi (Università di Venezia)
- Discussant: Chiaki Hara (University of Cambridge)
- 9.45 - 11.00 **A Stylized Model of Financially-Driven Business Cycle**
Javier Suárez (CEMFI, Madrid, and CEPR)
Oren Sussman (Ben-Gurion University of the Negev)
- Discussant: Enrico Perotti (Universiteit van Amsterdam and CEPR)
- 20.30 - 21.30 **Constraints and Non-Existence of Rational Expectations Equilibria**
José Marin (Universitat Pompeu Fabra)
Jacques Olivier (Hautes Etudes Commerciales, Jouy-en-Josas)

Thursday 17 July **Focus Session on Herding in Financial Markets**

- Organizer: David Hirshleifer (University of Michigan)
- 8.30 - 9.45 **Social Learning, Herding and Informational Cascades**
David Hirshleifer (University of Michigan)
- 9.45 - 11.00 **Market Microstructure with Uncertain Information Precision: A Multi-period Analysis**
Simon Gervais (University of Pennsylvania)
- 11.00 - 11.20 Coffee
- 11.20 - 12.35 **On the Evolution of Overconfidence and Entrepreneurs**
Ivo Welch (UCLA)
- 20.30 - 21.30 **Debt Valuation and Marketable Risk**
Pierre Tychon (FNRS and Université Catholique Louvain)
Vincent Vannetelbosch (Université Catholique Louvain)

Friday 18 July

Chair: Josef Zechner (Universität Wien and CEPR)

8.30 - 9.45

Earnings Manipulation to Exceed Thresholds

Francois Degeorge (HEC School of Management and CEPR)

Jayendu Patel (Boston University)

Richard Zeckhauser (Harvard University and NBER)

Discussant:

Todd Milbourn (London Business School)

9.45 - 11.00

Skewness of Earnings and the Believability Hypothesis: How Does the Financial Market Discount Accounting Earnings Disclosures?

Murugappa Krishnan (University of Minnesota)

Srinivasan Sankaraguruswamy (Georgetown University)

Hyun Song Shin (Nuffield College, Oxford, and CEPR)

Discussant:

Lars Nielsen (INSEAD and CEPR)

Monday 21 July

Chair: Ernst-Ludwig von Thadden (Université de Lausanne and CEPR)

8.15 - 8.30 **Opening Remarks**

8.30 - 9.45 **Competition in Schedules with Common Values**

Bruno Biais (Université de Toulouse and CEPR)

David Martimort (Harvard University and INRA)

Jean-Charles Rochet (Université de Toulouse and CEPR)

Discussant: Jacques Olivier (Hautes Etudes Commerciales, Jouy-en-Josas)

9.45 - 11.00 **Minimum Price Variations, Time Priority and Quotes Dynamics**

Tito Cordella (Unverstat Pompeu Fabra and CEPR)

Thierry Foucault (Universitat Pompeu Fabra and CEPR)

Discussant: Thomas Gehrig (Universität Freiburg)

Tuesday 22 July

Focus Session on Corporate Governance

Organizer: Colin Mayer (University of Oxford and CEPR)

Corporate Governance: The International Empirical Evidence

Colin Mayer (University of Oxford and CEPR)

Julian Franks (London Business School and CEPR)

Corporate Governance and Competition in Transition Economies

Erik Berglöf (Stockholm School of Economics and CEPR)

Corporate Control, Finance, Politics... and Economic Analysis

Martin Hellwig (Universität Mannheim)

Efficiency and Distribution in Financial Restructuring:

The Case of the Ferruzzi Group

Alessandro Penati (Università di Padova)

Luigi Zingales (University of Chicago, NBER and CEPR)

Wednesday 23 July

Chair: Julian Franks (London Business School and CEPR)

8.30 - 9.45 **Dynamic Venture Capital Financing, Learning, and Moral Hazard**

Dirk Bergemann (Yale University)

Ulrich Hege (HEC School of Management and CEPR)

Discussant: Rafael Repullo (CEMFI, Madrid, and CEPR)

9.45 - 11.00 **The Dynamics of Default and Debt Reorganization**

Pierre Mella-Barral (London School of Economics and CEPR)

Discussant: Josef Zechner (Universität Wien and CEPR)

Thursday 24 July Focus Session on Bankruptcy

Organizer: Walter Torous (London Business School)

8.30 - 9.45 **Post-Chapter 11 Performance of Financially Distressed Firms -
A Critical Reappraisal**
Walter Torous (London Business School)

9.45 - 11.00 **Conflicts of Interest and Market Illiquidity in Bankruptcy
Auctions: Theory and Tests**
Per Stromberg (Carnegie-Mellon University)

11.00 - 11.20 Coffee

11.20 - 12.35 **On the Options Approach to Corporate Reorganization**
Lucian Bebchuk (Harvard Law School)

Friday 25 July

Chair: Rafael Repullo (CEMFI, Madrid, and CEPR)

8.30 - 9.45 **Agency Costs, Firm Behaviour and the Nature of Competition**
Philippe Aghion (University College, London, EBRD and CEPR)
Mathias Dewatripont (ECARE and CEPR)
Patrick Rey (Université de Toulouse and CEPR)

Discussant: Raghuram Rajan (University of Chicago)

9.45 - 11.00 **Delegation of Monitoring in a Principal-Agent Relationship**
Roland Strauss (Humboldt-Universität zu Berlin)

Discussant: Leonardo Felli (London School of Economics)

Organizers: Philippe Bacchetta (Studienzentrum Gerzensee and CEPR)
Julian Franks (London Business School and CEPR)
Rafael Repullo (CEMFI, Madrid, and CEPR)
Ernst-Ludwig von Thadden (Université de Lausanne and CEPR)